

Turkmenistan's Permanent Neutrality:

A Foundation for Economic Growth and Business Cooperation

By Iurie Moraru *

Turkmenistan's policy of **Permanent Neutrality**, first recognized by a unanimous United Nations resolution in 1995 and reaffirmed in 2015, has become more than a political stance – it is a cornerstone of the country's economic strategy¹. As the only state with UN-recognized permanent neutrality, Turkmenistan leverages this unique status to create a stable, predictable environment for business. By eschewing military alliances and staying above geopolitical conflicts, Turkmenistan has been able to focus on economic development, attract investments, and engage in wide-ranging trade partnerships. The following sections explore how neutrality underpins Turkmenistan's **economic development, regional cooperation, transport and logistics** initiatives, and **energy cooperation**.

Economic Development

Turkmenistan's neutral foreign policy has directly supported its domestic economic development. International recognition of Turkmenistan's neutrality gave the country a reputation for stability and peace. In fact, the nation's permanently neutral status has proven "very productive for its economic development," bolstering Turkmenistan's role in regional stability and encouraging growth². Neutrality provides assurances that the country will remain free of entanglement in conflicts, which "**secures the safety of investments, assets, and deposits, regardless of political views, religion, and nationality**". This secure climate has drawn the interest of international companies and led to a significant inflow of foreign capital into Turkmenistan's economy³.

Turkmenistan's UN-backed neutrality status goes hand-in-hand with macroeconomic stability: for example, Fitch Ratings recently affirmed Turkmenistan's credit rating at BB- with a stable outlook⁴. The IMF projected an economic growth of Turkmenistan of 6.2% in 2024, more than double the Central Asian regional average⁵ and upgraded Turkmenistan's GDP forecast for 2025-26⁶. Such confidence from international financial institutions underscores how a neutral, predictable foreign policy can translate into a favorable business climate. The government actively encourages investment in strategic sectors – from its massive gas industry to infrastructure and agriculture⁷.

Regional Cooperation

Turkmenistan's neutrality is the pivot of its **regional economic cooperation**, allowing the country to maintain balanced, friendly relations with all its neighbors and major economic powers. By staying non-aligned, Turkmenistan avoids taking sides in regional disputes, which has enabled "**mutually beneficial economic relations**" with a variety of countries⁸. For example, Turkmenistan enjoys strong ties with **Uzbekistan**, cooperating on energy trade, transportation links, and joint water management – both states participate in

¹ <https://turkmenistan.gov.tm/en/post/92193/role-peace-making-neutral-turkmenistan-formation-transport-corridors-and-global-logistics#:~:text=As%20known%2C%20the%20historical%20Resolution%2C,our%20state%20in%20the%20world>

² <https://moderndiplomacy.eu/2021/01/22/turkmenistans-permanent-neutrality-a-key-foreign-policy-tenant/#:~:text=several%20meetings%20and%20conferences%20to,the%20region%20and%20the%20world>

³ <https://neutralitystudies.com/2024/02/turkmen-neutrality-a-way-to-survive/#:~:text=neutrality%20also%20has%20a%20positive,capital%20into%20its%20national%20economy>

⁴ <https://www.fitchratings.com/research/sovereigns/fitch-upgrades-turkmenistan-to-bb-outlook-stable-02-08-2024>

⁵ <https://caspiantpolicy.org/research/guest-contributions/turkmenistan-land-of-stability-and-business-opportunities>

⁶ <https://gazinform.com/news/imf-upgrades-turkmenistans-gdp-forecast-for-2025-26-d773b7>

⁷ <https://caspiantpolicy.org/research/guest-contributions/turkmenistan-land-of-stability-and-business-opportunities>

⁸ <https://moderndiplomacy.eu/2021/01/22/turkmenistans-permanent-neutrality-a-key-foreign-policy-tenant/#:~:text=Turkmenistan%20is%20a%20country%20in,support%20against%20the%20Taliban%20after>

regional initiatives like the Central Asia Regional Economic Cooperation (CAREC) program⁹ to enhance connectivity and commerce¹⁰. With **Kazakhstan**, Turkmenistan developed a major railway project inaugurated in 2014 that links Central Asia to the Persian Gulf, greatly facilitating regional trade¹¹. Turkmenistan also works closely with **Iran**, a key partner for natural gas exports; the two countries have built pipelines and road networks together to boost bilateral trade and energy transit¹².

Neutrality has been equally crucial in Turkmenistan's approach to more challenging neighbors. In **Afghanistan**, Turkmenistan's policy of non-interference and economic engagement has enabled it to support Afghan reconstruction and pursue the ambitious Turkmenistan–Afghanistan–Pakistan–India (**TAPI**) gas pipeline project¹³. By focusing on trade and infrastructure rather than politics, Turkmenistan maintained a positive relationship with Afghanistan throughout years of conflict, providing electricity and humanitarian aid while laying the groundwork for future energy exports. This even-handed outreach contributes to regional stability and trust – a neutral Turkmenistan can serve as a **bridge between South and Central Asia**. Additionally, Turkmenistan remains engaged in multilateral economic organizations that align with its neutrality. It is a founding member of the **Economic Cooperation Organization (ECO)**, working with neighbors on trade facilitation and cross-border projects¹⁴ beyondinvestmentsgroup.com.

Transport and Logistics

One of the clearest economic benefits of Turkmenistan's permanent neutrality is the country's rise as a **regional transport and logistics hub**. Situated at the heart of Central Asia, Turkmenistan has capitalized on its neutral status to actively develop international transit corridors with all interested partners, positioning itself as a **trusted transit country** for East–West and North–South trade. The Turkmen government has invested heavily in modernizing its transportation infrastructure – building highways, rail links, a seaport on the Caspian – the Turkmenbashi International Sea Port¹⁵, and airports – as part of a strategy to make the country a crossroads for commerce. These efforts have paid off. Turkmenistan nowadays strengthens its position as a major transport–logistic centre of regional scale¹⁶. In 2023 the United Nations even declared an annual **World Sustainable Transport Day** at Turkmenistan's proposal, a recognition of the country's leadership in promoting connectivity¹⁷¹⁸.

Because Turkmenistan is neutral, it can collaborate on transit initiatives with a diverse range of countries simultaneously. Major projects underscore this multi-vector approach. Under the **Ashgabat Agreement** – a pact between Iran, Oman, Qatar, Uzbekistan and Turkmenistan – new North–South and East–West transit corridors are being developed to link Central Asia with the Persian Gulf and beyond¹⁹. Turkmenistan is a key part of the **Lapis Lazuli corridor**²⁰, an east–west route that starts in Afghanistan and runs through Turkmen territory to the South Caucasus and Turkey, providing landlocked Central Asia access to European markets²¹. The country also partnered with Kazakhstan and Iran to build the **Kazakhstan–Turkmenistan–Iran railway**, which since 2014 has provided a direct rail link from Central Asia down to the Gulf, greatly shortening freight

⁹ https://www.carecprogram.org/?page_id=11

¹⁰ <https://www.beyondinvestmentsgroup.com/turkmenistan2025/neutrality-stability#:~:text=Uzbekistan%3A%20Turkmenistan%20shares%20a%20long,CAREC%29%20Program>

¹¹ [https://www.reuters.com/article/world/landlocked-central-asia-gets-shorter-railway-link-to-persian-gulf-idUSKCN0JH1Q7/#:~:text=The%20925%2Dkm%20\(578%2D,Ocean%20and%20the%20Persian%20Gulf](https://www.reuters.com/article/world/landlocked-central-asia-gets-shorter-railway-link-to-persian-gulf-idUSKCN0JH1Q7/#:~:text=The%20925%2Dkm%20(578%2D,Ocean%20and%20the%20Persian%20Gulf)

¹² <https://www.beyondinvestmentsgroup.com/turkmenistan2025/neutrality-stability#:~:text=Kazakhstan%3A%20Turkmenistan%20and%20Kazakhstan%20have,Asia%20and%20the%20Persian%20Gulf>

¹³ <https://jamestown.org/program/turkmenistan-resumes-work-on-tapi-pipeline-despite-geopolitical-hurdles/>

¹⁴ <https://www.beyondinvestmentsgroup.com/turkmenistan2025/neutrality-stability#:~:text=Kazakhstan%3A%20Turkmenistan%20and%20Kazakhstan%20have,Asia%20and%20the%20Persian%20Gulf>

¹⁵ https://port.com.tm/?page_id=8912&lang=en

¹⁶ <https://www.newscentralasia.net/2025/04/23/teif-2025-turkmenistan-strengthens-its-position-as-a-key-transport-and-transit-hub-in-central-asia/>

¹⁷ <https://turkmenistan.gov.tm/en/post/92193/role-peace-making-neutral-turkmenistan-formation-transport-corridors-and-global-logistics#:~:text=At%20present%2C%20our%20country%20implements,and%20on%20the%20Caspian%20Sea>

¹⁸ <https://unece.org/transport/events/world-sustainable-transport-day>

¹⁹ https://en.wikipedia.org/wiki/Ashgabat_Agreement

²⁰ <https://jamestown.org/program/revitalization-of-the-lapis-lazuli-corridor-from-afghanistan-to-europe/>

²¹ <https://turkmenistan.gov.tm/en/post/92193/role-peace-making-neutral-turkmenistan-formation-transport-corridors-and-global-logistics#:~:text=The%20agreement%20between%20governments%20of,and%20modernisation%20of%20multimodal%20transportations>

routes²² [beyondinvestmentsgroup.com](https://www.beyondinvestmentsgroup.com). In the broader Eurasian context, Turkmenistan has joined the International North–South Transport Corridor (INSTC) project; the INSTC’s eastern branch through Turkmenistan allows cargo between Northern Europe and South Asia to be delivered faster than via traditional routes²³. All these initiatives underscore Turkmenistan’s role as an **impartial gateway** for trade.

Importantly, Turkmenistan’s neutrality has made it a **reliable transit partner** in times of global disruption. The recent geopolitical crises – including the COVID-19 pandemic and the war in Ukraine – have upended many traditional supply chains, highlighting the need for alternative, secure trade routes. Turkmenistan has stepped up to offer “alternate and reliable international trade routes,” taking advantage of its location at the crossroads of Europe and Asia. Today, goods traveling between China and Europe can pass through Turkmenistan along some of the shortest and cheapest overland paths, avoiding conflict zones and political bottlenecks²⁴.

Energy Cooperation

Perhaps the most significant arena where Turkmenistan’s permanent neutrality bears economic fruit is in **energy cooperation**. Turkmenistan sits on the world’s fourth-largest natural gas reserves and substantial oil resources. Managing these riches to maximize national benefit requires maintaining good relations with all potential energy markets and transit states – a task made easier by a neutral foreign policy. Turkmenistan has wielded its energy resources as a tool of economic diplomacy, striking deals with multiple partners simultaneously. In this context Turkmenistan opened new pipelines eastward and became a major gas supplier to **China**, breaking Russia’s monopoly on Turkmen gas and diversifying export revenues. Today, China’s energy partnership with Turkmenistan (via three major pipelines) significantly boosts Turkmenistan’s economy and underlines its non-aligned approach – Turkmen gas flows freely to different destinations without political impediments²⁵.

Turkmenistan’s neutrality also enables bold new projects that require broad international buy-in. The **TAPI gas pipeline** – which aims to transport Turkmen gas through Afghanistan into Pakistan and India – is a prime example. Despite the complex politics of South Asia, Turkmenistan’s stance as a neutral party focused on economic gain has kept TAPI on the agenda as a vision of shared benefit and interdependence. Similarly, Ashgabat has shown interest in westward gas export routes. It actively participates in Caspian Sea negotiations to unlock a potential Trans-Caspian pipeline to Azerbaijan and Turkey, negotiating legal frameworks with other littoral states so that offshore energy projects can proceed in a mutually agreeable way. Turkmenistan’s impartial diplomacy was key in achieving the 2018 Caspian agreement, which opened the door for undersea pipeline projects – a move that could eventually connect Turkmen gas to European markets. Indeed, Turkmenistan has signaled willingness to supply gas to Europe as part of EU diversification efforts, again balancing relationships with East and West in line with its neutral stance²⁶.

Energy cooperation extends beyond hydrocarbons. Turkmenistan is investing in electricity exports and renewables, and neutrality allows it to seek technology and partners from any country. It has cooperated with firms from places as varied as Turkey, Japan, and the EU on petrochemical plants and solar projects. This illustrates that neutrality hasn’t hindered Turkmenistan’s ability to work with big players; instead, it reassures partners that Turkmenistan’s decisions are guided by national interest rather than alliance politics. Turkmen officials often emphasize that with its neutral status and vast energy reserves, their country aims to provide “**stable and reliable energy to the world**”²⁷. This reputation as a **stable energy hub** benefits not only

²² <https://www.beyondinvestmentsgroup.com/turkmenistan2025/neutrality-stability#:~:text=Kazakhstan%3A%20Turkmenistan%20and%20Kazakhstan%20have,Asia%20and%20the%20Persian%20Gulf>

²³ <https://www.caspiannews.com/news-detail/kazakhstan-and-turkmenistan-strengthen-transport-ties-2025-5-22-0/>

²⁴ <https://caspianpolicy.org/research/guest-contributions/turkmenistan-land-of-stability-and-business-opportunities>

²⁵ <https://www.beyondinvestmentsgroup.com/turkmenistan2025/neutrality-stability#:~:text=TAPI%20Pipeline%3A%20The%20Turkmenistan,fostering%20economic%20interdependence%20and%20development>

²⁶ <https://www.beyondinvestmentsgroup.com/turkmenistan2025/neutrality-stability#:~:text=Turkmenistan%E2%80%99s%20economy%20is%20heavily%20reliant,EU%20is%20a%20leader%20in>

²⁷ <https://modern diplomacy.eu/2021/01/22/turkmenistans-permanent-neutrality-a-key-foreign-policy-tenant/#:~:text=Turkmenistan%20is%20using%20its%20positive,proponent%20of%20permanent%20neutrality%2C%20therefore>

Turkmenistan's economy through export revenues and investment, but also contributes to regional energy security and global market stability.

Conclusion

Turkmenistan's 30-year experience with permanent neutrality vividly demonstrates how a foreign policy principle can translate into economic advantage. In refraining from power blocs and instead inviting cooperation from all sides, Turkmenistan cultivates an image as a **safe harbor for business and investment**. Turkmenistan has proven to be a partner in regional infrastructure – from railway corridors to fiber-optic lines – and in ambitious energy projects that span continents. By serving as a neutral meeting ground for pipelines, roads, and trade routes, Turkmenistan is positioning itself as a **central hub in the new Eurasian economy**. Equally important, the stability emanating from neutrality makes Turkmenistan a trusted node in global supply chains, benefiting its own people through economic growth while contributing to broader regional prosperity. In an often volatile region, Turkmenistan's commitment to neutrality stands out as a pragmatic path to economic success²⁸.

²⁸ <https://caspiantpolicy.org/research/guest-contributions/turkmenistan-land-of-stability-and-business-opportunities>

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Mr. Moraru is the Vice-President of the Joint Chamber of Commerce Switzerland–Eastern Europe, Central Asia, South Caucasus (JCC), actively promoting financial and economic cooperation between Switzerland and Central Asian countries, including Turkmenistan. He has substantial experience with Turkmenistan, including numerous official and business missions to the country, which have given him a strong understanding of the local business environment and government landscape. In this capacity, he has organized multiple high-level business forums connecting international investors and Swiss businesses with Turkmenistan's economic leadership.

In November 2018 Iurie Moraru wrote an article on the topic "Turkmenistan: New Energy Transport Projects". The article was analysing the positioning of Turkmenistan as a strategic hub on the New Silk Road through major infrastructure and legal initiatives. The inauguration of the modernized Turkmenbashi International Seaport, the 2017, the Law on Free Economic Zones of October 2017, and the 2018 Convention on the Legal Status of the Caspian Sea collectively were aiming to attract foreign investment and enhance regional connectivity. The Trans-Caspian Gas Pipeline, legally feasible after the adoption of the Convention on the Legal Status of the Caspian Sea signed in Aktau, Kazakhstan, on 12 August 2018, could enable Turkmenistan to export up to 30 billion m³ of gas annually to Europe, diversifying both Turkmen and EU energy markets.

Previously, as Managing Director of the Swiss firm Eurasia Development LLC, Mr. Moraru was instrumental in introducing leading Swiss oil and gas technology companies (such as Burckhardt Compression and Sulzer) to the Turkmen market. These efforts significantly enhanced partnerships in Turkmenistan's oil and gas sector and underscore his ability to bridge Swiss expertise with Turkmenistan's development needs.

Mr. Moraru is a seasoned Swiss financial expert with over 20 years of experience in banking and wealth management. He served as an Executive Director at a Swiss private bank, advising ultra-high-net-worth clients on complex portfolios, and has deep expertise in legal and regulatory compliance, asset structuring, and investment strategy. He is the Founder and Managing Partner of Prosperity Circle Family Office in Zurich – where he manages and protects assets for international families – and also serves as Counsel at the Swiss law firm Quorus, further bolstering his legal and institutional advisory credentials.